

Selected Papers of Beijing Forum 2004

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Geneva, Switzerland

Excellencies,
Distinguished representatives from the academic community and the public and private sectors,
Honoured Guests,
Ladies and Gentlemen,

It has been a great privilege for all of us to be in a position to share views on the main theme of “Harmony and Prosperity of Civilizations” during these three days of conference. I should like to express my whole hearted appreciation to our hosts, the authorities of Peking University, in particular President Xu Zhihong.

On behalf of the Secretariat of the World Trade Organization, I wish to express my deep appreciation to the organizers of the Beijing Forum 2004 for inviting me to make a short presentation on some of the important multilateral issues confronting today the academic institutions, public officials, the business community, and the civil society at large.

First, let me turn to the current economic developments in developing countries. Today, while agriculture continues to be important, it dominates less and less the economy; its contribution to the national income is shrinking gradually. From low-income agriculturally based economies, developing countries are diversifying progressively, boasting growing manufacturing sectors and promising services sectors. Services are now starting to become a most important pillar of developing economies.

These achievements are due, in no small measure, to people’s determination, creativity and confidence to take advantage of all the opportunities offered by the global economy. The key ingredients to success are political and macroeconomic stability, human capital, a coherent economic development strategy, the rule of law, judicious use of preferential access to key markets, and most importantly the ability to adjust and turn adverse conditions into economic assets. Heavy investments in educating people and building the institutions needed to support development are essential.

In the current WTO multilateral trade negotiations, the Doha Development Agenda Negotiations, China and all WTO Members, including countries in the region in the course of WTO accessions negotiations, such as Cambodia, Lao and Viet Nam, have a stake in all the core areas, agriculture, industrial goods and services. There is a strong sense of commitment to the multilateral trading system and the Doha Development Agenda Negotiations and a willingness to move forward. Only the multilateral trading system can provide the broad trade-offs that make trade liberalisation possible. Some common ground has been found on important issues. On others, we have not yet arrived at a level of specificity. This is not an easy task, because of the fact that negotiations today are conducted amongst an unprecedented number of governments. As a result, the difference between the participants, in terms of their size, economic development, trade interests and negotiating capacity are greater than ever.

Times are also changing in terms of power politics. Leadership by the big economic powers, such as the European Union and the United States, is no longer a sufficient condition for progress. The emergence of new and

powerful negotiating constituencies such as the G20+, which includes important members such as China, India and Brazil, is a healthy development.

While trade liberalization is an important engine for growth and a necessary ingredient of poverty reduction strategies, the process may force insufficient sectors to contract and companies to go out of business. Some sectors may need time for adaptation to trade liberalization, in particular if there are significant infrastructural or institutional obstacles. Experience shows that the only countries that have achieved large-scale poverty reduction are the ones that have become more open to foreign trade and investment.

Four weeks ago, the 147 Member Governments of the World Trade Organization approved a “package of framework and other agreements” which would greatly enhance the chances of these Member Governments for successfully completing the Doha Development Agenda Negotiations. This “July Package” includes significant commitments. For the first time in history, Member Governments have agreed to abolish all forms of agricultural export subsidies by a certain date. They have also agreed to substantial reductions in trade distorting domestic support in agriculture. They have also agreed to launch negotiations to set new rules streamlining trade and customs procedures. In addition, ambitious guidelines have been assigned for opening trade in manufactured products and a clear agenda has been set for improving rules that are of great benefit to developing countries. Member Governments have provided a new foundation to continue the Doha Development Agenda negotiations from a significantly higher level, greatly enhancing chances for successful completion of these important negotiations.

Furthermore, progress now made in agriculture, non-agriculture market access, development issues (including special and differential treatment and technical assistance) and trade facilitation would provide substantial momentum to Member Governments’ work in other important areas such as rules (safeguards, anti-dumping, subsidies and countervailing measures), trade in services, trade and environment, reform of dispute settlement and intellectual property protection. It was also decided that the next WTO Ministerial Meeting will be held in Hong Kong, China in December, 2005.

I wish also to mention that in the Asia and Pacific Region, the WTO Secretariat collaborates with academic centres of excellence and research institutions. In 2003, the WTO Regional Coordinator for Asia and Pacific Economies conducted in Beijing an Advanced Programme for Senior Government Officials, at the level of Vice-Ministers. The key partners were Peking University, the Ministry of Commerce of China (MOFCOM) and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The other participating partners were the Association of South East Asian Nations (ASEAN), the South Asian Association for Regional Cooperation (SAARC), the Pacific Islands Forum (PIF) and the Asian Development Bank (ADB).

This multipartite cooperation is a positive illustration of the strategic partnership and synergies between national, regional and multilateral entities and developing economies to assist WTO Member Governments and WTO Acceding Countries, with analytical tools needed to formulate appropriate negotiating positions on issues central to the Doha Development Agenda negotiations. As a matter of fact, successful negotiations are negotiations in which the outcome is balanced, with positive results for strengthening global demand, increasing growth, and at the same time generating benefits for all our members. Such an outcome is only possible with the full engagement by Ministers steering the process and directing their trade negotiators in Geneva.

My last point is that the WTO, based on its key principle of the Most-Favoured-Nation (MFN) status, meaning non-discrimination and treating virtually everyone equally, induces a balance across a wide range of topics beneficial to all participants. The WTO multilateral trading system has also to respond effectively to the immediate development needs of developing countries, through selective special and differential treatment, dealing with policy design and timing questions. WTO Members need sound economic policies, commitments to raise education levels, strengthening the rule of law and an adequate interface between the policy makers and the people who are directly concerned by these policies, so as to ensure that these policies benefit the common person.

Let me conclude by saying that this Beijing Forum 2004 with so many distinguished scholars is indeed an excellent opportunity to assist the academic community and the public and private sectors in their essential task of how to develop the right strategies for wealth creation at local, regional, national and global levels.

Thank you very much.